

BILL ANALYSIS

H.B. 4104
By: Eissler
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Montgomery County Municipal Utility District No. 112 (the “district”) will encompass an area of land inside the extraterritorial jurisdiction of the City of Conroe, Texas. The land located within the district is single family residential and commercial development; therefore, road services need to be secured. It is necessary to empower the district under Chapters 49 (Provisions Applicable to All Districts) and 54 (Municipal Utility Districts), Water Code and Section 52(b)(3), Article III, Texas Constitution in order to purchase, acquire, or construct facilities for such roads to serve the future occupants of the land utilizing tax exempt bonds. It is also necessary to empower the district with authority to impose a tax to repay bonds. H.B. 4104 provides regulations regarding the district having road powers.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8261 to read as follows:

CHAPTER 8261. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 112

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8261.001. DEFINITIONS. Defines "District."

Sec. 8261.002. NATURE OF DISTRICT. Provides that the district is a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8261.003. APPLICABILITY OF OTHER LAW. Provides that except as otherwise provided by this chapter, the following laws apply to the district: (1) Chapters 49 and 54, Water Code, including Subchapter J, Chapter 54, Water Code, notwithstanding the limitation on authorization based on acreage under Section 54.801 of that code; and (2) Section 52(b)(3), Article Texas Constitution.

[Sections 8261.004-8261.050 reserved for expansion]

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8261.051. ROAD PROJECTS. Provides that the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads, or improvements in aid of those roads, inside the district. Provides that a road project must meet all applicable construction standards and regulatory ordinances of each municipality or county in whose jurisdiction the district is located.

Sec. 8261.052. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. Provides that the district shall comply with all applicable requirements of any

ordinance or resolution adopted by the governing body of a municipality that consents to the creation of the district or to the inclusion of land in the district.

[Sections 8261.053-8261.100 reserved for expansion]

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 8261.101. TAX TO REPAY BONDS FOR ROAD PROJECTS. Provides that the district may impose a tax to pay the principal of or interest on bonds issued under Section 8261.151.

[Sections 8261.102-8261.150 reserved for expansion]

SUBCHAPTER D. BONDS

Sec. 8261.151. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. Provides that the district may issue bonds or other obligations as provided by Chapters 49 and 51, Water Code, to finance the construction, maintenance, or operation of a project under Section 8261.051. Provides that the district may not issue bonds or other obligations to finance projects authorized by Section 8261.051 unless the issuance is approved by a vote of a two-thirds majority of the district voters, or a two-thirds majority of voters in a defined area that will benefit from the project, as provided by Subchapter J, Chapter 54, Water Code, voting, at an election called for that purpose. The simple majority vote approval required by Section 54.808(a), Water Code, does not apply to an election under this section. Provides that bonds or other obligations issued or incurred to finance projects authorized by Section 8261.051 may not exceed one-fourth of the assessed value of the real property in the district or the defined area, if applicable.

SECTION 2. FINDINGS RELATED TO PROCEDURAL REQUIREMENTS. Provides that proper and legal notice setting forth the general substance of this Act has been published as provided by law. Provides that the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code. Provides that the Governor has submitted the notice and Act to the Texas Commission on Environmental Quality. Provides that the Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the Governor, Lieutenant Governor, and Speaker of the House of Representatives within the required time. Provides that all requirements of the Constitution and laws of this State and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act have been fulfilled and accomplished.

SECTION 3. EFFECTIVE DATE. Provides that this Act takes effect September 1, 2007.

EFFECTIVE DATE

September 1, 2007.